

**ND TEACHERS FUND FOR RETIREMENT
INVESTMENT PERFORMANCE REPORT AS OF JULY 31, 2004**

	July-04				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation Actual	Policy	Month Net ROR	Fiscal YTD Net ROR	FY04 Net ROR	Ended 6/30/2004 Net	Ended 6/30/2004 Net
LARGE CAP DOMESTIC EQUITY								
<i>Structured Growth</i>								
LA Capital	57,394,573	4.3%	4.5%	-5.13%	-5.13%	N/A	N/A	N/A
Total Structured Growth	57,394,573	4.3%	4.5%	-5.13%	-5.13%	19.20%	-5.87%	-7.07%
<i>Russell 1000 Growth</i>				-5.65%	-5.65%	17.88%	-3.74%	-6.48%
<i>Structured Value</i>								
LSV	62,718,513	4.7%	4.5%	-1.26%	-1.26%	29.44%	9.20%	8.31%
<i>Russell 1000 Value</i>				-1.41%	-1.41%	21.13%	2.96%	0.64%
<i>Enhanced Russell 1000 Index</i>								
LA Capital	78,216,837	5.9%	4.5%	-4.05%	-4.05%	18.59%	-0.17%	N/A
<i>Russell 1000</i>				-3.51%	-3.51%	19.48%	-0.32%	N/A
<i>Enhanced S&P 500 Index</i>								
Northern Trust	79,033,480	5.9%	4.5%	-3.67%	-3.67%	19.00%	-0.31%	N/A
Strong	2,447,701	0.2%	4.5%	0.00%	0.00%	21.13%	-0.06%	N/A
Westridge	78,753,587	5.9%	4.5%	-3.30%	-3.30%	19.30%	-0.36%	N/A
Total Enhanced S&P 500 Index	160,234,768	12.0%	13.5%	-3.18%	-3.18%	19.81%	-0.24%	N/A
<i>S&P 500</i>				-3.31%	-3.31%	19.11%	-0.69%	N/A
<i>S&P 500 Index</i>								
State Street	40,157,276	3.0%	3.0%	-3.31%	-3.31%	19.08%	-0.67%	-2.17%
<i>S&P 500</i>				-3.31%	-3.31%	19.11%	-0.69%	-2.20%
TOTAL LARGE CAP DOMESTIC EQUITY	398,721,967	30.0%	30.0%	-3.43%	-3.43%	20.38%	0.08%	-2.14%
<i>S&P 500</i>				-3.31%	-3.31%	19.11%	-0.69%	-2.20%
SMALL CAP DOMESTIC EQUITY								
<i>Manager-of-Managers</i>								
SEI	127,937,049	9.6%	10.0%	-7.32%	-7.32%	33.33%	5.76%	N/A
<i>Russell 2000 + 200bp</i>				-6.57%	-6.57%	35.99%	8.43%	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	127,937,049	9.6%	10.0%	-7.32%	-7.32%	33.33%	5.76%	6.81%
<i>Russell 2000</i>				-6.73%	-6.73%	33.36%	6.24%	6.63%
INTERNATIONAL EQUITY								
<i>Large Cap - Core</i>								
State Street	54,462,644	4.1%	4.0%	-3.04%	-3.04%	27.44%	0.42%	-1.44%
<i>MSCI EAFE - 50% Hedged</i>				-2.80%	-2.80%	26.98%	-1.27%	-1.15%
<i>Large Cap - Active</i>								
Capital Guardian	131,519,965	9.9%	10.0%	-2.97%	-2.97%	25.40%	-1.15%	1.54%
Bank of Ireland	26,658,619	2.0%	2.0%	-3.34%	-3.34%	23.61%	N/A	N/A
Total Large Cap - Active	158,178,584	11.9%	12.0%	-3.03%	-3.03%	25.11%	-0.79%	1.76%
<i>MSCI EAFE - 50% Hedged</i>				-2.80%	-2.80%	26.98%	-1.27%	-1.15%
<i>Small Cap - Active</i>								
Lazard	28,097,910	2.1%	2.0%	-2.84%	-2.84%	44.40%	N/A	N/A
Wellington	28,098,232	2.1%	2.0%	-4.65%	-4.65%	42.26%	N/A	N/A
Total Small Cap - Active	56,196,142	4.2%	4.0%	-3.74%	-3.74%	43.25%	N/A	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				-4.20%	-4.20%	47.95%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	268,837,370	20.2%	20.0%	-3.18%	-3.18%	29.19%	2.00%	1.63%
<i>MSCI EAFE - 50% Hedged</i>				-2.80%	-2.80%	26.98%	-1.27%	-1.15%
EMERGING MARKETS EQUITY								
Capital Guardian	64,871,649	4.9%	5.0%	-1.94%	-1.94%	27.91%	8.93%	2.83%
<i>MSCI Emerging Markets Free</i>				-1.77%	-1.77%	33.50%	13.09%	3.25%
DOMESTIC FIXED INCOME								
<i>Core Bond</i>								
Western Asset	11,337,265	0.9%	0.7%	1.23%	1.23%	2.02%	8.00%	8.39%
<i>Lehman Aggregate</i>				0.99%	0.99%	0.32%	6.35%	6.95%
<i>Active Duration</i>								
WestAM (Criterion)	11,054,658	0.8%	0.7%	0.88%	0.88%	-0.25%	5.14%	6.43%
<i>Lehman Aggregate</i>				0.99%	0.99%	0.32%	6.35%	6.95%
<i>Index</i>								
Bank of ND	19,844,610	1.5%	1.2%	0.95%	0.95%	-1.03%	6.88%	7.04%
Bank of ND Match Loan CD Program	7,958,921	0.6%	0.6%	0.42%	0.42%	5.08%	5.57%	5.70%
Total Index	27,803,531	2.1%	1.8%	0.85%	0.85%	0.23%	6.79%	6.83%
<i>Lehman Gov/Credit</i>				1.06%	1.06%	-0.72%	6.73%	7.10%

**ND TEACHERS FUND FOR RETIREMENT
INVESTMENT PERFORMANCE REPORT AS OF JULY 31, 2004**

	July-04				Current	Prior Year	3 Years	5 Years
	Allocation		Month		Fiscal YTD	FY04	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2004	6/30/2004
							Net	Net
Convertibles								
TCW	10,703,944	0.8%	0.7%	-4.83%	-4.83%	16.74%	0.51%	3.89%
<i>First Boston Convertible Index</i>				-2.18%	-2.18%	14.44%	4.95%	5.78%
BBB Average Quality								
Strong	10,900,254	0.8%	0.7%	1.57%	1.57%	1.29%	6.26%	7.23%
<i>Lehman BBB</i>				1.40%	1.40%	1.23%	8.23%	6.60%
Timberland								
Evergreen (Wachovia)	33,977,608	2.6%	2.6%	0.00%	0.00%	10.46%	N/A	N/A
							N/A	N/A
TOTAL DOMESTIC FIXED INCOME	105,777,260	8.0%	7.0%	0.04%	0.04%	5.08%	6.35%	7.34%
<i>Lehman Aggregate</i>				0.99%	0.99%	0.32%	6.35%	6.95%
HIGH YIELD BONDS								
Loomis Sayles	47,311,200	3.6%	3.5%	1.21%	1.21%	N/A	N/A	N/A
<i>Lehman High Yield Cash Pay Index</i>				1.37%	1.37%	N/A	N/A	N/A
Sutter/Wells Capital	48,190,503	3.6%	3.5%	1.30%	1.30%	N/A	N/A	N/A
<i>Merrill Lynch High Yield Master II Index</i>				1.33%	1.33%	N/A	N/A	N/A
TOTAL HIGH YIELD BONDS	95,501,704	7.2%	7.0%	1.26%	1.26%	7.69%	6.68%	2.79%
<i>Lehman High Yield Bond Index</i>				1.36%	1.36%	10.33%	9.30%	4.78%
INTERNATIONAL FIXED INCOME								
International Sovereign								
UBS Global (Brinson)	32,823,689	2.5%	2.5%	-0.96%	-0.96%	7.86%	14.20%	6.47%
<i>Citigroup Non-US Gov't Bond Index (1)</i>				-0.88%	-0.88%	7.59%	13.65%	6.84%
International Core								
Brandywine	33,647,655	2.5%	2.5%	0.27%	0.27%	9.65%	N/A	N/A
<i>Lehman Global Aggregate (ex-US)</i>				-0.70%	-0.70%	5.20%	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	66,471,344	5.0%	5.0%	-0.34%	-0.34%	8.78%	14.41%	6.59%
<i>Citigroup Non-US Gov't Bond Index (1)</i>				-0.88%	-0.88%	7.59%	13.65%	6.84%
REAL ESTATE								
JMB	15,736			0.00%	0.00%	1.45%	-5.90%	-3.04%
INVESCO	55,155,960			-0.17%	-0.17%	6.72%	5.80%	7.59%
J.P. Morgan	53,893,980			0.68%	0.68%	11.11%	7.63%	9.54%
TOTAL REAL ESTATE	109,065,675	8.2%	9.0%	0.28%	0.28%	8.87%	6.70%	8.55%
<i>NCREIF TOTAL INDEX</i>				1.03%	1.03%	10.82%	8.40%	9.33%
ALTERNATIVE INVESTMENTS								
Brinson IVCF III	1,029,644			0.00%	0.00%	16.88%	16.12%	56.18%
Coral Partners V	5,981,639			0.00%	0.00%	-31.07%	-34.06%	-13.63%
Coral Partners V - Supplemental	711,366			0.00%	0.00%	30.44%	N/A	N/A
Coral Partners VI	3,938,311			0.00%	0.00%	-21.72%	N/A	N/A
Brinson 1998 Partnership Fund	1,655,347			0.00%	0.00%	9.41%	-7.52%	3.66%
Brinson 1999 Partnership Fund	2,762,410			0.00%	0.00%	14.66%	-9.09%	-1.33%
Brinson 2000 Partnership Fund	4,587,234			0.00%	0.00%	11.19%	-6.65%	N/A
Brinson 2001 Partnership Fund	2,117,318			0.00%	0.00%	6.64%	-2.03%	N/A
Brinson 2002 Partnership Fund	1,202,843			0.00%	0.00%	14.42%	N/A	N/A
Brinson 2003 Partnership Fund	165,417			0.00%	0.00%	-4.63%	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,394,226			0.00%	0.00%	21.09%	8.14%	4.24%
Brinson 2000 Non-US Partnership Fund	1,741,131			0.00%	0.00%	15.38%	5.71%	N/A
Brinson 2001 Non-US Partnership Fund	1,088,556			0.00%	0.00%	16.63%	3.39%	N/A
Brinson 2002 Non-US Partnership Fund	1,635,296			0.00%	0.00%	18.67%	N/A	N/A
Brinson 2003 Non-US Partnership Fund	387,524			0.00%	0.00%	-3.93%	N/A	N/A
Brinson 2004 Non-US Partnership Fund	74,999			0.00%	0.00%	N/A	N/A	N/A
Brinson BVCF IV	7,919,612			0.00%	0.00%	21.17%	-9.85%	-10.01%
Matlin Patterson Global Opportunities	11,331,246			0.00%	0.00%	13.00%	N/A	N/A
InvestAmerica	1,902,914			0.00%	0.00%	-7.73%	N/A	N/A
Hearthstone MSII	450,147			0.00%	0.00%	28.64%	20.32%	N/A
Hearthstone MSIII	9,136,448			0.00%	0.00%	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (2)	61,213,628	4.6%	5.0%	0.00%	0.00%	3.39%	-11.65%	4.52%
CASH EQUIVALENTS								
Northern Trust STIF/STEP	31,532,503	2.4%	2.0%	0.12%	0.12%	1.44%	1.86%	3.48%
<i>90 Day T-Bill</i>				0.12%	0.12%	0.98%	1.71%	3.29%
TOTAL FUND	1,329,930,149	100.0%	100.0%	-2.44%	-2.44%	19.30%	3.60%	2.91%
POLICY TARGET BENCHMARK				-2.10%	-2.10%	18.20%	2.92%	1.86%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.